

Title XII Advances, 1205-0199, non-substantive revision and renewal request

ETA's Office of Workforce Security (UI) issued a UIPL clarifying its position on Title XII advances. These advances are loans from federal accounts that are made to states which have depleted their trust funds used to pay unemployment insurance to claimants. Under federal law, states may not stop paying benefits, so an insolvent trust fund that the state can't replenish through state funds or commercial loans must borrow money from Federal accounts to continue paying benefits.

The information collection approved under OMB Control No. 1205-0199 covers existing correspondence concerning Title XII advances between state governors and DOL. In this collection, DOL accounts for the burden that governors must take in producing estimates of benefit outlays and the revenues necessary to keep the trust fund solvent, and communicating that result to DOL. That burden is estimated at one hour per submission. Based on the calculation that seven states will submit a total of 56 annual submissions, the total annualized burden is 56 hours.

The UIPL, attached as a supplementary document for this submission, amends the way states account for their reserves (balance of trust fund(s) available) when determining how much to request for loan purposes. States must generally use all funds in their accounts before requesting a loan. However, states have been allowed to "shelter" some funds for very specifically defined administrative uses. The UIPL enumerates these funds and defines the conditions and times when the distributions were made.

UI believes the types of "burden" that would be incurred by the amended way the states account for their reserves is included in what's described in the existing collection 1205-0199. Correspondence between the state and DOL for the purpose of administering Title XII advances would be incorporated in the letter required by 1205-0199. Therefore, UI has laid out, in its supporting statement for this information collection, a non-substantive modification to 1205-0199 that accounts the minimal added burden for the extra procedures.

The UIPL makes clear that any sub-account reporting will be handled through an existing OMB collection (1205-0154).